Welcome to Episode 30 The restaurant prosperity formula. I've been coaching restaurant owner since 2003 and the restaurant prosperity formula is based on what the most successful restaurant owners I work with on a daily basis, to achieve their success. The basic ones.

Hey there restaurant pros and states Scott Peters and welcome to episode 30 of the restaurant prosperity formula. I've been coaching restaurant owners since 2003 and the restaurant prosperity formula is based on what the most successful restaurant owners I've worked with do on a daily basis to achieve their success. The basic premise of the formula it centers around achieving prosperity, freedom from your restaurant and the financial freedom you deserve to achieve prosperity, you have to follow a very specific formula meetup of leadership systems, training, accountability, and taking action. Today's topic centers around restaurant development and technology. Now I want to tell you about our guest today, Anthony Matei founder of CTO group, an industry leader in providing a full range of outstanding construction development and project management services. Anthony and CEO brings an incredible amount of experience and expertise when it comes to restaurant development, listening as Anthony and I talk about the future of the restaurant industry, technology and restaurant development insights. I want to welcome Anthony Amon and Peggy, to the show today. But first, a word from our sponsor. This episode is being brought to you by repeat returns, if you're a restaurant owner of a medium to high volume independent restaurant multi unit or franchise operator, and you're looking for a proven and realistic solution to attract grow and retain customers, then you need to visit repeat returns. Repeat returns as a modern marketing platform, created by a restaurant owner for restaurant owners. It studies, each customer's habits and patterns predicts the most profitable outcome for your restaurant every single day, and deploys a marketing to make that happen. You'll never lift a finger to see if repeat returns is right for you. Visit repeat returns.com forward slash DSP. Hey Anthony, I'm so glad that you are joining me today on my podcast, we you and I've talked I've been on your podcast, we'll talk about that later but thank you so much for being with me today.

David I you know I love our conversations they're they're fun, you know, thanks for inviting me. I'm really excited to be on here and your audience. I look forward to meeting them and our guests thanks, thanks for having me.

It's my pleasure do me favor. Tell me a little bit about yourself and kind of your background because we're going to talk a little bit about the future, the future of the restaurant business but you come from a development side adult development background so talk about that a little bit.

You know I started this business at 22 completely by accident I was gonna be an accountant, I don't know how I ended up in construction in development there was something that I'd worked my way through college painting houses I met a contractor, he talked to me about building a banana republic or painting it a banana republic, it got me all of a sudden. From there what to do with discoveries over the playgrounds for kids, and a project manager met me invited me up to Chicago and all of a sudden I was asked to get a job and I got a job working for Discovery Zone. From there we went to Blockbuster Video from there went to Boston Market, and in Boston Market I really learned the restaurant game you know starting with a group of experts that really knew how to take what was a dinner population we really sort of grow a one population and really started with hardly any breakfast, that didn't work and that's really where Einstein Bagels came from I went off to develop the Einstein Bagels world, from the first location, which was called the bagels, it was called the bagel shop and Glenview, Illinois and and from there they bought a bunch of brands everyone together created Einstein Bagels, and really learning how to manage development programs the market analysis really trade area, analysis, how do we really penetrate fast and really take over a marketplace, there went on to work for a long time. Guys, remember those guys and they were great urban feeders maybe these great locations they said hey we need a suburban feeder. So we went off and bought St Louis Bread Company. And from there, that spun into an arrow bread. And you know what the story Panera Bread just was really wonderful growing that brand there's their product was phenomenal and just the way we brought on operators, it just was a great, great idea from there, I got offered a partnership and CEO group and a year later I bought the company. And for the last 24 almost 25 years it's February, we have been building 1000s of restaurants around this country and, you know, it's, it's a passion right I love, I love the restaurant operator I love what it takes, you know my job, and our company's job is really to focus on, hey, you run your restaurant, you find the best managers to open it. If restaurants open with a line out the door. I'm successful with that means that they stopped worrying about construction, and they started focusing on pre opening opportunities and where's the pre opening marketing really key to great restaurant openings are, you have a focus your team's was first executions are flawless. Right, making sure that the training processes the procedures the ordering. So you're not stumbling under air hose with those first great customers and bring into really great passion for the first customer on and construction makes a difference right if you're walking in there's horns and bells and whistles and tradesmen all over the place, it doesn't work for him so our goal is to really create a so that they walk in, they've got the opportunity to train really really really well. You know we've had our time, our goal is to turnover on time all the time and, and then really give them a place where they can train open and be ready for those customers, and today that that's that's super super important right with the, with the cost of real estate, the opening up of the cost of construction really right now if you looked at construction it's especially through when we're going through, elevated costs. Restaurant tours can't afford to make mistakes, right they need every dollar that you know, losing a month's rent is the difference in some of these some of these entrepreneurs right, they're they're getting to the opening point and they're, they're on fumes by time they spent all the cash to get open. And they need that they need to make sure they open. Well, so that they're not upside down and they're you know it's struggling and and making bad decisions from there.

No, I couldn't agree any more I have the joke because I have some franchising background, I've opened it dependence. That's not really my strength, I mean really I'm, I work with people who are operating. However, I've been through enough openings that the joke is you never open on time or on budget, and so the fact that you come to this and say, hey we're gonna open on time, that's huge because operators like you said, when they go one to three months behind a blow through their free rent period and the next thing you know they're bleeding the cash out of their operating budget to open up with training and, you know, extra food and the extra labor, and you know the cleaning and things like that and I can't tell you how many openings that I've been there that we haven't got the CFO but we're training we're doing things, walls have been reopened, they're checking electrical they're checking plumbing to get the inspection the CFO and like everything's chaotic and then you're like oh shit, we've got to reclaim the whole restaurant, as we're going through training because there's sagas here and there's dirt here and so on and so forth. And that creates this chaos and craziness. So, you know, your philosophy and the fact that you can deliver something that opens on time. That is huge, as you mentioned you glazed over the financial part of it but the biggest thing is that, man, I can breathe I can focus on what we do well that's run a restaurant open a restaurant, not just worry about is the electrical right, am I going to pass the you know the health inspection.

I think that's a key to having as a partner having this as a partner is giving them that opportunity to go and look, because I can't take on restaurant tours I've watched hire great managers, we're in construction, they're in there, and we get that call on my daughter contractor failed we're in the middle. They're three months behind. Can you come help me. And they're losing the great people that they've, they've gone out to the marketplace, they found perfect people to operate the restaurant for. And in those three months of delays, now all of a sudden, they lose faith. They get another opportunity. Find something else that excites them, and they lose those great people that they've spent so much time recording and bringing on board. What does that cost an operator, what does that cost an operator to, you know, in their development and their stride and their momentum to operate. So, David, that's that you know we're looking for those all the time as we look at the restaurant tour, and we're going all right, in today's marketplace with the demographics, the way that we're all competing for those locations. Right, being able to get from dirty dishes quickly right we haven't go out there and one of our walls here is going to 70 foot sizes, from dirt and dishes and for weeks. Now look at that that's a really big goal to ground up buildings and. But today, what we're working on is, we've got to be able to help the entrepreneur with as the marketplace, open up. As we get this data from third party, we're getting more data today than we've ever had before. The entrepreneur now to look at a location, it used to be a price go and you're looking for sites. No don't have it was in the winter. Look at it go Alright, there's a McDonald's over there, we must be in good shape. Right there's mostly people this neighborhood, and that's really what we're following them. Today we can look at household income, drives the amount of data points that we can collect on a marketplace, and what's coming at us right what's the data points that are coming to us through third party delivery companies do through Amazon through Google, all the analytical stuff that we have where people are the trends are happening, where they live, where they work, how they drive, you know. Now the job is for the entrepreneurs to put, find out where their demographic is you put the restaurant right in their path of travel,

have any insight on how would somebody do that because remember I primarily independent restaurants we don't have the level of money, the chains have or like a McDonald's. I mean they're a real estate company beyond belief they know track of patterns and what corner, like, like you said, if you watch to watch them grow. You've watched a Wendy's grow if you will, all they did was open across the street from any McDonald's, they didn't have any real estate researches what oh McDonald's, Wendy's, right. So, how does somebody gain that knowledge in, where do you find this information, and because what what blew my mind is as we were talking, getting ready for the call you talked about third party delivery actually getting information there, like I've never thought, Where do you find info.

You know, this is where the marketplace is changing right it used to be, you know there is a, there's a whole formula for a following demographic right you're looking at a brand going hey, they meet our customer profile is following them into a marketplace and that's it that's one great way of doing it right, there's certainly are brands who can do that and find a brand that matches them they can follow them into a marketplace and do very very well there's people who follow Home Depot's there's people who follow what we have the big box stores go like if I'm in front of that store that market that clients my client, and it works really really well right now the other brands are out there, there's a lot of great stuff and we're working with a pizza company out on the East Coast, they're, they're building five and $800,000 pizza restaurants I mean in the past to build a 500,000 or $800,000 pizza restaurants Crazy, right, you're returning investments tough. What they do is they go and they build a really great prototype, they put some fancy, fancy, they really make it a environment that the young people want to hang out in. It's a real meeting place it's a fun place to be. And then what they do is they have delivery from those points, and as they use the third party delivery folks to figure out where the delivery patterns are coming from. Their goal is to figure out alright look, I'm getting a bunch of people from out this neighborhood. So what they do is they move a food truck that's equipped with all their, their, their stuff out to that area. And now they can lower their delivery times from, you know, today there were no companies out there working on delivery times, you know, it used to be 30 minutes was a goal right now their brands went down for 15 minutes. And now some brands are working on trying to beat an eight minute delivery time. Now look, you're looking at over a third party delivery folks and looking at alright, I can get dinner in eight minutes, even if I didn't want that place on picking that place if I'm really hungry or if I'm in a hurry or, you know I need to give kids to soccer, eight minutes I can get, I can get, you know pizza here in eight minutes, and I can have them eating, eating in 12 and we done enough to a soccer game. You know there's that that changes the whole demographic, the way we look at things. So today, you know, we never take that third party demographic now that just set also realizing that there are Restaurant Brands who are out there going, Look, I can get $1,000 with a catering a day out my door without before even open right there brands who are working with, you know, downtown eateries that go alright look if I'm if I'm on the. If I'm able to find out where those where those catering options are, if I can get $1,000 out the door without a customer ever walking in, right, I bring that to them. Think about how that changes my economics right there. Right, so they're looking at the different day parts as opportunities is really a science in itself right maybe have a look at this whole pandemic. There are folks who like I'm not doing delivery those third party people take too much of my money. And then there were other people who said, this is magical, right, who today, even, you know, as you're going back and forth through the pandemic, they're still taking on 1000 1500 bucks a day on a Monday or Tuesday out the delivery door that they didn't have before, and that one person is sitting in a seat in the restaurant. Breakfast restaurants that I've got one right down the street from me over here that really mastered how to delivery, how to deliver breakfast right i mean nears you're sitting at home you're tired, the kids are all whining. You got friends over from for very vacation or something now,

whenever breakfast you don't feel like cooking it. Great everybody calling up and tell me what you want, right and get pancakes right yeah we do it here at the house all the time. You know, we thought it's funny to get breakfast but it's kind of fun when you're in a hurry, try to get everybody ready for soccer we're gonna run into their Saturday, and they can pick you out and get my one daughter loves Corby finish the other one wants pancakes, the other one wants to two eggs, exactly like this. I don't have to sit there and play shorter chef in the morning, and that's to do it all the time but every once in a while, it's kind of a nice luxury to have in that restaurant which we love going to, but it takes time to get there and know the differences used if you go there you pay a tip or here you pay a delivery charge, the cost difference is pretty pretty simple so today as a restaurant tours look at nose not as, hey they're taking money for me, because as soon as I look at that app. I'm not looking at the difference in cost, if I'm getting charged a few more bucks in the online ordering as compared to the in store opportunity or restaurant opportunity. I'm never even noticing it right and most art, but there are guys at every restaurant tours, you're just like, No, you know that those same guys who are, who were the taxi drivers right going I'm never gonna do Uber, I'm not ever gonna forget Uber it'll never make it. I'm not going to do that I haven't had this medallion I'm gonna stay be a taxi driver, and they fought it, I'm gonna do this, and then Uber took over and they still have $200,000 plaques they were driving around with and there's no customers to get to, And they just weren't willing to make that evolution today as a restaurant tour. We've got to keep our heads on a swivel. Right, we cannot, you know, dig in. The whole opportunity about the restaurant tours swiveling right what's happening with the marketplace, looking for opportunities that can excite and invigorates your brand, right, do you how do you get the delivery packaging to speak your brand, right, how can you get it from being just some Styrofoam crap. How do you make it so that when that bag ends up in your house. It's something that you remember the brand for, right, you know, I'm seeing delivery stuff today. That's great, a sealed bags that really make sure that the integrity of the product gets there perfectly. You know I was on the phone on a podcast yesterday with they'll play a logo, they're doing some of the coolest delivery packaging to their brand and neatness of the brand will be taking a digital opportunity to make a difference in that economic stream, which is called impacting the right, you're now getting 1000 $2,000 A day store right now, how does that impact. They also have to make sure that they're the Restaurant Brands that don't feel like a secondary child versus a stepchild over there. It's not going to work right.

At some time on that. Technology's really changing how restaurants run and you coming from the development side, equipment, left and right, things that can make a difference, especially now, is coming through COVID and here is, I don't know where your fourth fifth wave, why we're open and we're busy are never, there is a shortage of the time of you and I recording. I've got people coaching members are talking about tortilla makers and equipment that will shred the equipment that will do this and then you know, flatten out pieces and whatever the dope. What are some of the technology things that you're seeing that are being put in place to take advantage of third party delivery advantage of lower labor less skilled people, efficiency, are you seeing

as you were technology and granting everybody right now is in a race to find those pieces right now how do I how do I eliminate or make the position that much easier to operate, do the big hamburger brands are working on, you could clearly see that the future of their kitchen is really going to be as adapt one piece at a time to go automated right the way the lines are getting set up the way that they're approaching the restaurant, you're really seeing things like cable locators, right where where customer can walk in order from a phone. Come in, and never interact with the front counter. Come in, sit down, and they'll be able to get their food at a table and never interact with the counter in the front. Look, what does that do to labor at that front counter right if I can come in, I can order everything I want to sit down and have it come to me, better service, right, I don't have to interact with that person delivering that all they need to do is smile and say, Is there anything I'm missing, make sure that they're getting exactly what they want. And today, there's one change right there, right just adding in Table locators. Right. We're seeing the kiosks that are coming up, how many restaurants are doing Kenneth first time I did that interaction. I was like, how are you getting your ticket away customer service. How dare you. But today I have no line I walk into the boom boom boom boom boom, I order things much, much faster. It just breaking through that fear of the chaos. Now once I did that I'm like, it's actually kind of nice. I can kind of look around, I don't have that pressure of everybody behind me right I know there's a few of these chaos here I can I can pick from. And I think that's what we're noticing is that, you know, things like chaos are changing back in the back of the house, you see, automated machines that you know it's one button up one button out. Right. And you can very clearly see that brands, you know there are, there's a brand down in Florida out of Italy, that are making these automatic pizza makers online and go online is typing. Automatic peacemaker, it makes any fresh dough pizza with fresh dough right to take flour from flour to make mixing it making it flattening it out of uncooked fire over into cooked fresh made pizzas. No one's ever touched. Think about that now put that thing on wheels, and delivered deliver there. Was there an opportunity there's an opportunity right. So you start to look at, keep my head on a swivel. Where am I opportunities is Grant, never ever going, I gotta figure it out because as soon as as soon as the rest of the, the, the number one sin in the restaurant tours. I got this. As soon as you got this, you don't get it right, right, it's always been on a swivel looking for opportunities, making sure that, looking for those places where my staff can serve my customer better, right, for me as an owner I can I can I can watch my facility better, right I can see my interaction between the employee and the building, employee in the customer. The customer with our building. Right as I can look at those opportunities better integrate we're seeing that we're working camera systems that are able to watch how employees interact on the, on the line on the technology as we bring it into into play. That's the fun stuff right that's the stuff where, if your key if you're out there you want. Hey, we saw that before I get excited every time I see. I've been working with a brand, try to build an automatic burrito roller right I just keep laughing I'd like if we can get this figured out there's a robotics company right here on our block, and they work for the CIA they work for doing all this other computer stuff for the government. I'm like, Look, I want you to just make me a burrito maker. There's, there's a brand change right there if I can. People can online order and it can automatically make a brainer for me exactly how a customer wants to think about where that's going. In the future, how does that make it much easier for the brand to interact so

I want to bleed the picture in a second but I want to I want to tie in what kind of tie in are our last two kind of major questions together. And one of them is, you talked about demographics, things like that how you can mine your third party, find out where, where your customers are coming from, and go there with the, you know, kind of, that's where you can put stake your your flag in the ground, but that you had a concept that is going out there with a food truck. In, not necessarily to line up people at a food truck but in order to increase delivery speeds and find out if there is a Enough, enough, household if you will, rooftops offices that can can sustain a store, I want to I want to make sure that I'm understanding that right like when you talked about them having this food truck and putting it out there, it's truly just to test the waters, and you're using the third party apps or are they delivering themselves.

Third party apps and some of them are doing both right they're doing simultaneously their own delivery, and third party apps right they're using. Look Why limit yourself to one or the other ones are like, I'm only gonna use like so I'm assuming the money and great, great, try that. Right, why not take advantage of another brand, other people. This is where the future is people are their egos get invested like well, I've got to do this great, keep trying that was working out for you. You got to look at and go, Why not take the opportunity to third party people that are doing the marketing for you that are collecting the money for you that are making this whole process. Your people don't have to interact with the customer, they're doing that for you. All you have to do is make the product, like you love doing, right, the great product that you make. And look, if it's food trucks, or if it's, or if it's off premise location cooking right you know there are brands right now they're out there working on putting locations or in back of malls, sea level at sea level, real estate that you never wanted before the one who's behind the mall the little 1000 square feet behind them all but cars can drive up to it easily, right to third party people can come and pick up stuff in a big parking lot. Right, but it's not the front of all, you can't see it, But the red is nothing right to popping things in for no money, their equipments movable right as some electrical outlets, some FRP on the walls, and some drop in ceilings, and they're getting in landlords are loving it because they're going hey look, I'm using this on rentable space I didn't have before. But I can now rent to retail or to a restaurant group, and they can use it for the third party delivery out in the middle of a market where they didn't have a store, and they go wow this is really working the market that stores sustainable, like I'm already getting X number of dollars to get through what that threshold is for him. What's my threshold Why hit that threshold, now it's time to start looking for a piece of real estate where we can put a flag right now.

Well let me pull you back to the second question we talked about is, is technology and how that's changing what we do, like is there. Are you the source, and you look for it. Where is there. Like how is an operator, and they may not have answered this question and so it may be a curveball. How does an operator go, you know, I, I need to start looking for a piece of equipment that can do this, I need to look for a piece of technology that does this. Is there a place that you like to hone in or is that something that you guys do and you actually do the research in source for any restaurants that you're developing, where does somebody go to look for that if they've never done it before.

You know I think that they are looking at where their strength, strong points are today. Right, if you're talking to her the restaurant tour that's done in Austin, Texas. He's got this amazing, amazing, you know breakfast restaurant, and you're looking to go right, how do we how do we connect we take technology and impact you there. Right. Is it is it changing the line, right, because right now he's got a great life, it's working well, and maybe it's a third party delivery folks in getting there, getting the food out the door, right and started looking at how do I start looking at my, My packaging. I always start looking at partner with, how many different brands can I go partner with for third party delivery. How do I set those, those, those menus up. I don't necessarily have to sell my whole menu that third party delivery folks. I think the powerful part of my menu on the right is starting to go down to go. Just today, put your earlier restaurants when you look at new technology today. Just start with one today. Get your head out of your mop sink right, get yourself out of your get off the light today and go status are looking at 1/3 party delivery folks. And so looking at what part of my menu, would I put on. What's the packaging, we're going to use, and how we're going to handle when we get to our restaurants going to take it. Right now they're going. I was with a brand. The other day, we're not in Indianapolis, and just to women to own the restaurant is this great restaurant and another breakfast, and they're great, but I was talking about you doing third parties. I can really handle run the restaurant today. Right, she's, she said are going. I run the restaurant if I'm not here to run it, I'm like, are slave to this business, you're not managing an employee of this restaurant, You're not an owner. It owns you. It's the owner, you are the operator, right, you know, you've got to get your head out of this restaurant. And so look at part of you that goes from looking at. By the way, as an owner of a company, I've done that myself. Right, because I'm really great at doing construction, I'm creative doing real, I love doing that stuff for me to grow. I had to start letting other people do this, and it scares the crap out of me let somebody else do right as I personally grow as a man. Right, I look at the opportunity and gonna go. Alright. How am I starting my own business. I mean I don't have a great leadership group it took me years to really get on them, and today I'll sit in my office and sometimes feel this urge to go out there and jump in everybody's business. Boresha for reasons, not because I don't want to interact with people but keep me inside the room. I don't need to be out there jumping in everybody's business which, as soon as I do that, I have the ability to walk into a room and take all the oxygen out of it because I'm great, I love doing the business I do it. But the truth is, what does that do it serves my ego and operators I tell them all the time. Look at yourself. Are you serving the restaurant, are you serving your ego is working that hard really serving this restaurant. Are you serving yourself, there's something in you that you need to prove yourself. I was looking at that right if you want to grow you say you really want to grow, or you want to be slave to this restaurant, and you just sit back and hire great people

preach to the choir, this is this is what we do right is is at least in my side of the world is, is get you trained for your business and the financial freedom you deserve. But let me just hone back in and you can see, you don't have this, because again it was a curveball. The equipment side of things, not necessarily a third party delivery are their sources to find equipment that automate processes that you're familiar with, is that what you guys do or do the concepts come with it and they've already, they've already kind of done that research.

I think you gotta be constantly looking at the restaurant equipment magazines stuff that fits your restaurant right or we don't we don't, we'll execute that with you, right, you'll be, you'll come to us and go, Hey, I found this piece of equipment here, an automated piece of inheres automated primacy. Let me see how I can interact and how I can put that into your facilities within into one or 100 or 1000 of your locations, how we're going to do that, we'll work work on the execution and implementation that you guys are gonna interact with your restaurant, how's it gonna fit in the restaurant. But really, there's so many that technology right now is changing so fast, right, but there are experts out there you go to your restaurant equipment people you know go to Edward dodge. Those are brands that you're working with the guys you work with every single day. They have a list of new stuff. And don't be afraid. Look, try it on. It's exciting to go look at and go, Alright, maybe, just maybe I can make it, I can make my life just operate a little bit easier if I figured out how to put that machine in there, right, if I could just change one piece of equipment on there, but you know, often, oftentimes we're striving towards it, thinking small. Like I don't want to spend, you know 4000 or 5000 bucks on a piece of equipment. I can't, I can't see what but I'm telling you once we start to make those little changes, it becomes part of my style. Right. When I set my keep acting cheap little restaurant or am a little restaurant tour as soon as I start thinking big. If you look at the brands that we work for the best franchisees or the best operators are the ones who embrace the technology, the ones who are on the on the on the bleeding edge of it right, they jump in, but they're always the ones who do remodel the restaurants first right but when a brand says hey stand Everybody ready. We're ready, We'll do what we're doing first. And you see their numbers are always in the top of the class, right, and people are like, Well, that's because you make lots of money. Well that's why they make lots of money because they're the ones who are embracing and looking for the opportunities, continuously take the small thinkers that go well, we don't have any money, you have any money because you keep thinking like small fingers and you do it to you if you were listening to podcast is one of the things I love, you know what you really are you chained to this restaurant, right. How are you, how is this restaurant operating you it's if you operating it. Right.

Well, let me ask you this. All of this conversation leads to our industry is changing, like, and you're talking about cutting edge versus bleeding edge. You're seeing what's coming down the pipe from the big chains to the independents that are truly growing in regional areas. What are you seeing as the future of the restaurant business because it's it's tough now right it's, it's, it's one of those things that labor costs keep going up food cost keeps going up rents keep going up. We keep finding all these services from third party delivery to software, and we're chipping away at our margins. So that's where I come in and I help people put together their budgets or plan for success and finding efficiencies they've never seen before, but they're just saying, There are trends that are happening, and you'd be much farther ahead than I am because you're seeing what the big guys are doing. And as well as, as regional. What are you seeing as the future of the restaurant business.

You're certainly seeing right now their interaction between technology and the restaurant, much, much higher than ever before, you know, today the the Instagram, Facebook, the, the, the certain of the apps that are out there today are, that are able to find where the restaurant where the customers are at, how do they order faster, how do they how do they show up at a restaurant and it's there, but you can very quickly see the brands that we're working for today are setting up for complete ordering by app right being able to do everything, you know, the brands are out there in the kiosk there there are today's technology, you can see very quickly how the future that will be your order right from your own device people when you have to touch anything but their own device you'll be able to whom you'll interact with your own device which you know how to operate. Right. You're gonna walk into a restaurant. Your food will be ready for you. If you have to go. Great, if you're if you're, if you're having to sit down and have it, Great, thank you have a place to sit down, it'll be ready for you, and you won't have to interact with anybody other than your device to make make that happen, unless you want to write that'd be your choice in the restaurants won't be able to bring that level of service up. Nick I noticed David and most the brands that are some folks out there going on my margins might just might. That's always been the case since I was a kid you look at the restaurant world. Have you ever no restaurant tour that says make enough money guys we're making lots of money like man broke it's, it's part of the language of restaurant tour right, and, and yes there is there is some classic stuff with today's employees are more expensive than ever before. Also the opportunities they don't allow us restaurants to COVID, or they do as we taping this today, the amount of restaurants, went out of business, really creates the opportunity for people that are in the market today. To take advantage of them right to grab up as much market share as possible really create the craving for their food, their product restaurant tours love doing right.

They're they're so happy to sell their products. People love their food, you know, a great restaurant tours. Stand there. Now how do I get, how do I get it from, I don't use technology to communicate that. Watching them take old advertisements that they did, however, they were doing before, and convert them into today's technology, you know, Facebook, Instagram. Tik Tok. You know they're not the same. You can't take old the old ads from before, internet put them onto those marketplace, it doesn't work. Today, Instagram followers are different than the Facebook followers in a tick tock for me to interact with them differently, right, you have to go in there and interact with those brands in those get those customers, much, much different way and make sure you get towards that customer you know really create that craving from their level, whatever, wherever that levels at. Then, then you get into the third party delivery folks making sure that the third party delivery folks know what they're ordering through those folks making sure that the delivery folks can get in and get out nothing worse than having a delivery driver, get to your place and have to sit there for 20 minutes waiting for your product. Right, it just, it sets the burden when they go to go that brand again. But you want to make it so that those delivery drivers crave coming to you because your customers love getting your food on time and they tip them more right they get there, you're the best brand out there taking care of the third party delivery folks, when you get there, you want a bottle of water hey can I get you something to drink it, what can you do as a brand to make third party people love delivering your product right how do you embrace them, rather than looking at them as an enemy that's taking your margins from you, like how you look at them as a partner. They love coming to your brand, they become your brand spokesman, they deliver with a smile. Right, making sure that you know or wait for 20 minutes for your food to get out, they got there, it's like, right now the customer is mad at them mad are you mad, and the next time they see that ad that come up, they're like, right, and start to look at those. How did it, how does how does your restaurant. Really look at those, those opportunities and service the well right so, so maybe I can't like what I don't want to do is have you know, there's less people in restaurants during this pandemic right so all of a sudden you get one, or a handful of people, 25% of the people in your restaurant, and you get your theory of online orders, and the people of restaurants suffer right just gonna go into zoning the restaurant was it takes me 30 minutes to get my meal right now looking at it, you can't do that, right, you got to make sure that you're looking at it, looking at it and getting above going, how am I going to handle this by making sure that there's a pizza restaurant right down the street here. They do $5 pizzas on Tuesdays, they get hundreds of orders online. But during the pandemic they're going through this place where they didn't have people in the restaurant, and all of a sudden you got all these online orders. And he's like, how am I going to handle this I don't want those people to suffer. You just got to make sure that as those orders come in, how do you, how does your restaurant staff understand how to prioritize. Right so that they're serving the online right to keep that keep that, that, that order going in other than just some smart things they know when their peak is they're now using their technology they're looking at their demographic they're looking at their model going. Alright, from from 635 to 740, we're doing this major peak, and they get ready for the peak right there getting the show's ready to get the dough right they're gonna start they need to do, so that it can handle the peak better again. Instead of sitting there waiting for to happen you know there's there's the old different set out there with a barber. Right, and they're waiting for the fish to come by. Their spear fishermen. They jump in the water, they get a spear gun they go chase after the fifth. Right. How do you restaurant tours go and chase after your fish, and how do you jump in the water, stab a fish putting them out stab another one, put your mouth, get three come up with three instead of walking out there waiting for one to come by. There's where the opportunity is what, how do we do that,

so wrong. That's the purposes it's the theme of everything we've been talking about it is embracing technology thinking outside the box, finding ways it's kind of like if I were to summarize what I think we're talking about here is. Stop being a prisoner to your business and start thinking strategically, how do we, how do we capitalize on the software, how do we capitalize on equipment, how do we keep delivering the guests the best experience possible with the changes that are going on versus being stuck and not being willing to invest in your business not be willing to change how you do things or again bring on these things that may cost us more money. And the nice part about those people who work with me is we're putting together budgets, you know, if you're going to bring on that piece of technology we can truly say, This is what the return can look like, or this is what it's going to do to lower your labor cost, and you're going to have return on that in six months, one year and then it's going to explode, that you can make good decisions based off your numbers but I, you know what I'm really hearing is our industry is changing quickly, and you've got to think strategically, not be fixed and how you do things. Am I missing something, or is there something else that, that, that I should be taking away.

Absolutely, is for sure. Being in the mindset of boppers standing up and being the opposite looking for opportunities in the chain right in my writing the change like it's like a, like a surfboard, or is it a wave is right as technology wave and my riding it like a surfboard, getting up there and hanging 10 Or am I getting beat up by the wave I always said that it gets beat up by, and that you're exactly right, standing up as an owner operator, looking at it going, how do I do this, it becomes a mindset right once I start that once I open that door so I'm looking at budgets, look for new equipment, all of a sudden start looking at going. How do I how do I pay market differently, how do I bring on a different marketing group that, as I start to look at equipment, I start looking at once I get that mindset change. I take that same mindset and I bring it from equipment I bring it into advertising, and bring it operating, It becomes a way of being, rather than the way I used to be right if I if I keep doing what I've been doing I keep getting what I've been getting right that whole change. It's great evolution.

Now I love it, we're talking the same language that's why you and I like to talk to each other, we're like teenage girls Sydney 16 years old in the cafeteria talking about boys. It's like, you know, mindset is the major deal, like my evolution as a coach from 2003 When I started, it's about systems, systems, systems profitability profitability. Oh yeah, managers, and then you. And what I found after selling my, my last company that turned into a software company from a restaurant training coaching company two years ago, is that I look at my most successful people, and it really is mindset. What sets them apart is they're not in a fixed mindset that says oh here's challenge somebody else's fault, blame, blame, blame and stuck. They have a growth mindset and go, oh it's challenges shit I cannot learn that think that, like there's always a solution. Yeah, they have the same challenges, yes they have days that they, you know, want to do some, some one of their vices to feel bad about themselves, but the next day they pick themselves up by their bootstraps and go, this is the way we're going, I'm leading my company forward and, you know, it's always great to hear that, you know, that is the right the right sauce for whether we're talking about development and equipment, technology, budgets, running your business, it's your mindset as an entrepreneur is, is truly thinking. There's always another way to do it, and I can always improve. Am I missing anything there.

Absolutely. We're malleable as as owners, operators, how malleable can I be, how do I look at myself every day and go. Alright, the way I was before was great, But if I'm going to go somewhere different, and being around people that do that right, companies like yourself and come in and challenge me. If you're looking at our studio group. I have a coach that comes in, do we have different kinds of coaches that come in here every quarter, the different coaches here we have ones that work on our staff, there's ones that work on our finances work was a work in our health. Right and I bring them into challenges because if we don't continue to challenge. I mean my body sold the company right, look, if I look at the accounting principle the garbage, we're just gonna look at those. Right now what about what about my people, what are the people's health. Today we work on their bodies repattern we look at why people eat, the way they work out just they're human. The human that comes to work every day, how do we make them better. Right, so as we look at those. That's an opportunity or, or how do we look at our diversity, how do we work as a group and how do we work together, how do we take the knowledge of different people do a solution right and bring coaches in to help us create communication around the anatomy, language and opportunities for that. So that's, that's the challenge, right, how do we mean valuable right I said, the the part of us that as coaches like you come in and go. Challenge yourself here. And what's that mindset starts happening. Right, it becomes a way of being, you know where sir working over four o'clock in the morning 430 In the morning, all of a sudden I'm like one working out hard right yes when I got five, I get five miles in before I even got to my first meeting at 630 with a group of people that really, that group of people really helps me really work on being valuable right as a group we, we count something every single day, and we look at our how we take that into the day and then by time I get to my actual work day. You know this group of leaders have has really challenged me to be, to be, to be more to look at opportunities for me to change so I love that.

Let's string that into and I don't mean to cut you off but what makes, what makes CTO group, so different is you and your leadership and what you talk about, but tell, I tell our listeners. What is CTO group, what do you guys do because already you know you think about just you as the leadership and on down what a different philosophy from being on time to developing your people wanting to become better all the time like who doesn't want to be attracted to a company like that to do development for them, what, what is CTO, do

you know CTO group for 24 years has built the fastest growing brands out there, we work, we work with not just the fastest ones but with our entrepreneurs and say look, you if you do, we're going to handle your development needs. We're going to find you the locations. We're gonna negotiate the leases. Most entrepreneurs comes up to the market they go, I make great pizzas or I make amazing food, but they've never negotiated a lease, they have no idea they're getting taken their brokers I've still today have never been a broker, because they have their perfect location in their portfolio today, and you're like, Stop stop stop before you get suckered into it. I know badly, the number one place I can save a restaurant or money. It's not in construction. It's in negotiating a better lease. Right, and I look at. I look at lease deals every single day and go to myself, you know, especially today, with, with retail with developers that are losing tenants by the handfuls every every quarter. Right. And how do I negotiate for a much better delivery, right, the number one thing I can do I can squeeze electrician, a plumber in HBC for a couple of percent in construction right I can get them and go right to it. Can you give us, I guess we did a little bit, the number one place to change the numbers is getting a better delivery. If I get a better box right if I get the utilities dhvc that the gas lines and water lines the bathrooms. If I get the thing, when you rent a table when you rent a house without electricity, you rent a house without air conditioning. Now, why would you run a restaurant without right, why would you take a space and restaurant tours get suckered into the deal, all day long so somewhere, you know, developers had the upper hand, they did for a long time we they had the upper hand. And today, restaurant tours having. Today I'm looking at malls, that are completely pop up malls, there's not a tenant in there we just went through a tour of a pop up malls, right where the restaurant tour, the restaurants are the, the attraction, building great restaurants where that's the draw for them. All right, they've got restaurants zoo or something, some some attractions when people come to in the and the retailers, pop up earlier today retailers are realizing, Hey look, I just need to go to, and they have that technology. Now, they can find out. Alright, look if I if I'm Nike I can look and go, our day with the runner. Right, we're all the David's, we're all the David's in his community they're over here, I get this new shoes I want to come out and create I want to want to add this new running shoe for David and David's friends that run like David, but I also want to look at David's kids, and his wife, and then I can figure out ways to social media attack them right and they can go and do these pop up stores and get cute, they can spend lots of great money in creating this experience in a pop up store. And once they get them to see the product. Now they can go back to online sales. Like all they need to do is feel their products the first time, and they want to have experience with us so they can spend more money, instead of spending the money they did on the 20 year lease, they now do this amazing pop up store where they have a great experience with your opportunity. And the anchor is the restaurants, right, the restaurants are the guys who are sticking in there and making that developer would ask. Now think about your negotiating skills when you go to a restaurant when you go to a developer go hey look, I'm going to put a great restaurant in here. Here's a brand you're gonna get I bring with me, this craving. Right. And by the way, I'm gonna build a first class looking restaurant, you're gonna be proud of it. We are in the middle of your development. And people come here we'll get that your development is a great developer because I put this restaurant here for you. right I'm gonna serve those people really, really well. And the retailers are committed to everyone but want to be part of this restaurant because my brands here with you. Now, right negotiate with you, here's what I need to do to be successful. I cannot walk in here, build your building. I need you to give me the air conditioner I need, I need to have the power I need the gas line the water line. I cannot go across the highway to bring a gas line over to look over here, that does not work in my development cost. I cannot spend $30,000 to go bring a gas line over here. He has to bring that to my space, I look within the walls. I'll take care of that right my look, feel, my equipment, I'll do that. You got to give me the stuff that's fair, right though the old days when I was, you know when it wasn't fair before restaurant tourism sucked up developers would have to make a mall move in and have to finish. I call it half making great summer there was this Texas gray shell they called it, they would sell retailers on, well if you want to space you have to take it like it is and really what it meant was you had to finish building it. Right, right. Why would I ever rent a house that way. I'm not renting a house that way, but somewhere we got sold on that.

So you start with the demographics and finding the right location and negotiating the location, make sure the right things. What after that. What else do you do.

From there we really work on construction right really making sure that we look at, look you can operate this thing for the next 20 years right if you're if you're a great operator operator, we want to look at how it functions right. How does the day to day interaction. Where does your vacuum go right, how are we, how is your frontline going, what's the flow of the restaurant so

are you helping in the architecture plans, or are we getting an architect, and you're working with them.

We're bringing in architectural partners, and our partners across this country right in all 50 states in Canada. We've got partners who develop amazing, great architectural firms, right and then from there we're going out and we're finding the best subs and subcontractors to help build these things out so, so that when I tell you I'm turning over on this date. I turn over on that date and you can count on that right you can start your preopening marketing your hiring you can you can take that to the bank. Now, how do we do that, we start by winning day one, right most contractors mess that up if you look at most, most construction projects fail in the first two weeks of a project to go into most general contractors, they get the project, they go to start it, and they're buying out subcontractors, two, three weeks into construction. As soon as we get that project. As soon as we start looking for it. We've negotiated with what we start with schedules, we communicate with subcontractors in a different way. We help. As a general contractor. We don't take advantage of subs, you can't be a great contractor in use your subcontractors, I've got to make sure that when they get there, when people get in and out quickly. Today we do things are much different, we have it used to be trade stacking trade stacking really involved, how many people I can get on a jobsite at one time, I can squeeze electrodes over here. Come over here with the COVID Oh stuff is going on, you can't get that many people on job site today. Now we could do what's called shift stacking. Now we have to be able to start some guys will start at three o'clock in the morning. There's old timers, love getting to work early, they won't be up for traffic as you'll get at three o'clock in the morning, they're, they're out before lunch. Right, they're in, they're out. And again, I got to name boomers who love playing video games until two o'clock in the morning they don't want to be until 10 Right, we don't usually hear till 10. But today with the way we project manage, I can see jobs, much clearer than ever before. I know exactly what it used to be if you and I didn't get two jobs at the same time, inevitably, like Trish was going to work on this wall over here. Drywall stack there you're like I can't work on the wall. Today I know schedules, better than ever before. I can look at a schedule, I really look at where people are going to be where I put equipment, how I operate the jobsite so that the material that we're moving is mature that we're bringing to the job site is in a spot that makes sense. No, no worries. So,

gotta go backwards, your full service almost. It's probably not the right word. You're a boutique developer in the sense that I don't need to go find all my individual pros, because it's a big deal to find a good restaurant architect to find somebody who understands how to lay out a kitchen and find somebody who can do real estate and find them by demographics and negotiate, somebody who can manage my contractors find the right contractors, make sure I open on time, like you are full service you're doing all of that in the project

turnkey, if you look at the brands of the operators that we work for. We have partnerships with, you have a passion for your restaurant, bringing your passion to me I love when I meet the right group of people that are looking to build a restaurant, we can offer someone we offer so much value in that. The way that we look at it for them. You focus on making sure your menu day one's perfect. Make sure that your staff is trained, day one, I promise you will turn over our restaurant, exactly like it needs to be turned over. Day one, you're not gonna be operating instead of bells and whistles and inspections inspectors walking on. That's not gonna happen. Because that's not fair to the operator, what does that cost you in your turn.

Is there a just so as people listen to you yeah people who have $350,000 Pizza Place sandwich shops to people of $10 million breweries slash restaurants, you know, and multi locations single locations as independence is on the inside because that's primarily who I work with right the chains have their their operations team and so on and so forth. I'm kind of that franchise operations team that an independent doesn't have for all intents purposes systems of support, and so on. For an independent operator is there a level of restaurant sales volume size. That is, the more of a perfect fit for you, or is it. Come one, come all, we can handle it. Where do you find that you are the sweet spot, who is that operator what do they look like

is the operator for us where we had the most amount of value. Isn't that one off restaurant tour that starts off saying hey, I'm gonna start by my goals to grow. I always thought the guys who say I want to do 50 stores but they haven't opened one yet. I'm like let's just get one done right. Then we'll get to done right, and then we'll get three done right. And I promise it we'll get to that we'll get to the 100 stores for you. But let's do that. We're going to the brand right now that's doing this. Great. Let's get your first restaurant open, and then we'll get your second one open, and then we'll get your third one open, but opening one successful one at a time. Let's not make sure that we're not you're not standing on your own arrows right we don't want to go looking at 10 locations, and then you know the number one thing I see what restaurant tours fail is trying to grow too fast. Without the systems in place. I watch brands, you know, try to grow the number of restaurants that are doing at the same time they're changing their menu at the same time they're, they're changing their day parts. Let's focus on one thing at a time let's either grow. And as we get to a certain marketplace. Let's make changes strategically. Right, we can really watch it all the time where we confuse the growth of a company with the time to change everything. And I'm saying you look, let's focus on one thing at a time if you want to grow your locations, if you're one off guy. Let's get one open, it's gonna open open an opera great once we get close to opening, you feel like your ratio looking, and you start looking for two and three. Remember, if we're looking for number two. We're going to be looking for locations. We're going to be looking at four or five locations at a time. In order to do that, it takes a little bit of work right in order to really negotiate great leases. You can't be stuck to one deal. We got to be looking at four or five locations in a marketplace that you want to be in. Right, especially at first location we want to close to your home around we live. Easy to get to. If you're a first time open restaurant tour, and you're driving an hour and a half to get to your restaurant every day. It's not going to be successful, or it's going to be it's going to hamper your ability to be successful. Right, it really adds a lot of stress you three hours of commuting back and forth to a restaurant isn't isn't a great way to live, right, so our goal is to find a something that's close to where you live, right so you can get in and out of it every day. So it's in your path to travel and look at that one. Let's get down into wind, and then we'll start looking at number two and number three. And once we get a team of people, three or four of them we get a team of people that are working for you. Now in there a little bit faster. Right now we've got systems and we've learned how the restaurant operates, we understand that we need this, right, because when we want to put together our training manuals, we understand we want to be to fit in at this temperature at this degree and it operates this way every single time. Now that is a little bit of growth right takes a little bit, especially when you're growing. Now a lot of times I also tell people learn to say no. I can't tell you how many operators, think that I have to make every change every single day. A lot of times it's just as much saying no, like I don't need to do that right now, my menu right now is great. This isn't working.

So really, what's it what's interesting is the clients you attract. It's a mindset thing they've got the right but I mean it's it's the same thing we talked about it's not the person who goes, they just opened the restaurant and I've picked it it's like you have a growth mindset, whether you're gonna have the one location, or multiple The fact is you're thinking I'm going to expand this and make this, this is my prototype if you will, really thinking about it from start to finish, as this is something you can grow. That's, that's pretty cool. How would somebody contact you if they wanted to learn more about what you and your company.

Really easy go to CDL group.com is always the easiest way to get to a company to get to me I'm Anthony at CTO group. COMM it's pretty easy now to remember right, remember, we're there, there's a group of people that will greet you. If you want to get to me just let them know they want you to Anthony at CEO group. And that team will get you to me, you've got

you've got your own podcast, you've heard me on his guests first. So I want you to tell me about the podcast because everybody you know if you're listening to this, then you're somebody who likes to gain information and grow. Talk about your podcast how they find it.

Don't do any of the major podcasting networks and Spotify is a great one if you go on there and look for the future of development podcast, right the future don't podcast. We've got some great episodes on there, David was on there was so much fun having you on there, got lots of great reviews from that one. You know, we're always talking about this growth mindset, you know, the opportunities, taking technology and implementing them into, into the restaurant world into the construction world. How do we take technology and embed it and use it for a benefit, and a lot of that there, and I'd love to have you guys come over and join. We'll put a link in here and we'll have you come over and join us.

Fantastic. Well, I really appreciate you taking the time to share your knowledge, get people excited about, you know, finding a location, opening it the way it really should be done, let alone on time which is crazy to me. Anything parting thought you want to leave people with

even. First I want to say thank you I love you and I have these conversations they're just, they tickle me inside I love having the conversations we have, you know, if you're an entrepreneur and you love restaurants as much of building them. Call me lucky and lucky enough to work together if it's just a matter of adding a great passionate conversation. Look, I love this business I know that if you're listening to this show. You love this business too. You're looking for ways to continue to change. David, what you do and your group does really does change the ability for entrepreneurs to be successful and I'm grateful to be on this show and thanks, thanks, thanks a lot.

Thank you my friend. I look forward to hearing my listeners come your way because it is a challenge to find a developer can truly understand, restaurants, and especially if you're not one of the big chains so I'm so happy that we connected, and then I'm able to share you with my audience because I think, I think your phone's gonna ring off the hook my friend. Thanks a lot David I agree. That was an awesome episode, I want to thank you for taking the time to take action on building a better, more prosperous restaurant. Before you go, I want to give you these three thoughts, one by combining leadership and taking action with systems and training being checked by accountability, you are on your way to creating prosperity for you and your restaurant, too. I something I need from you, please leave a review on Apple podcasts Spotify or wherever you happen to listen to podcast by leaving us a review other restaurant pros seeking out this information, are able to find it. I read the reviews, and hearing how this information has benefited you does wonders for me. And three, if you find any of the discussions helpful share them, the more restaurant pros who have access to them, the better we become as an industry. For more restaurant resources, or to get in contact with me, connect with me at David Scott peters.com, be passionate about what you're doing, be persistent, but more importantly become better and help everyone around you become better, and your restaurant is going to kick some ass.